

# Leading the Way II

## Midpoint Progress Report

Preliminary Report June 30, 2005



**City of Boston**  
**Thomas M. Menino, Mayor**

**Charlotte Golar Richie, Housing Chief/Director, Department of Neighborhood Development**  
**Sandra Henriquez, Administrator/CEO, Boston Housing Authority**  
**Mark Maloney, Director, Boston Redevelopment Authority**  
**William Good, Acting Commissioner, Inspectional Services Department**



## BACKGROUND

In May 2004, Mayor Thomas M. Menino announced the second Leading The Way plan with many new ambitious goals to be achieved in the four-year period July 1, 2003 through June 30, 2007. Working together, the City's housing agencies – Department of Neighborhood Development, Boston Housing Authority, Boston Redevelopment Authority, and Inspectional Services Department – were directed to meet several key goals:

- Permit 10,000 new units of housing in the city
- Ensure that at least 2,100 of those units would be below-market affordable units and that 75% of these units would be affordable to low-to-moderate income households
- Raise \$25 million in new revenues for affordable housing.
- Preserve 3,000 units of affordable rental housing including multifamily properties at risk of losing affordability protections, public housing units in need of substantial renovation or refitting for accessibility, and non-profit owned housing in need of repair or financial restructuring.
- Begin a new \$10 million homeless housing campaign that includes homeless prevention as well as new permanent housing set aside for the homeless or those most at risk of becoming homeless.

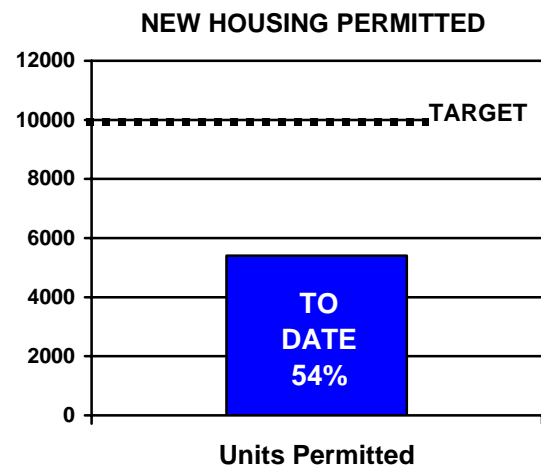
This preliminary report documents the progress made toward these goals at the midpoint of the four-year plan.

## NEW HOUSING PRODUCTION

Total new housing production is ahead of schedule. As of June 30, 2005 a total of 5,420 new units of housing had been permitted over the two year period. This puts the city more than 400 units ahead of schedule to meet its total housing production target of 10,000 units.



**FENWAY MIXED-USE DEVELOPMENT WITH 540 UNITS OF HOUSING INCLUDING 54 AFFORDABLE UNITS AND RETAIL SPACE**



The primary source of housing production came from the private market, 4,586 units or 85% of the total to date. City-assisted housing production and BHA vacant units represented the remaining 834 units.

Currently, there are another 6,809 units of housing in the development approval process.

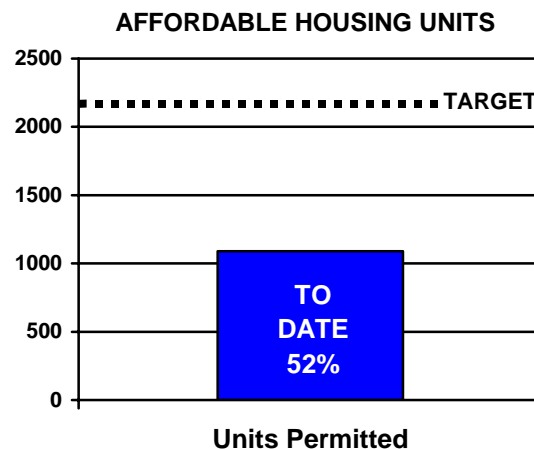
## AFFORDABLE HOUSING PRODUCTION

The City is also ahead of schedule in the production of new affordable units, with 1,090 units permitted out of a target of 2,100 units. The sources of these affordable units are:

Affordable Housing Developments (DND):	668 units (60%)
Inclusionary units (BRA)	360 units (34%)
Vacant Public Housing units (BHA)	62 units ( 6%)



**THE LARGEST HABITAT FOR HUMANITY DEVELOPMENT IN AMERICA  
IN CONSTRUCTION ON BLUE HILL AVENUE**



Of particular note is the large increase in the number of Inclusionary housing units permitted. By comparison, during the entire 3-year period of Leading the Way I, only 225 Inclusionary units were permitted.

The City set a target of ensuring that 75% of the affordable units would be available to low-to-moderate income households (earning under \$59,550 for a family of 3). To date, 75.3% of the new units are affordable to this income group.

Another 673 City-sponsored affordable units are in DND's development pipeline, as well as over 600 affordable Inclusionary units on the drawing boards.

## HOUSING FOR THE HOMELESS

The Leading The Way II plan promised an ambitious campaign to house Boston's homeless, including a goal of raising \$10 million for homeless housing developments and programs. Over the last two years, the BHA has housed 1,400 families and individuals who are homeless or at greatest risk of becoming homeless. In addition, 110 new units specifically targeted for the homeless are in construction. Another 54 units are on the drawing boards. \$5.1 million of City controlled funds and \$5.9 million in match funds from public and private sources have been raised for the homeless units now in construction.

In 2005, Mayor Menino brought a bill to the Statehouse that would create a new \$10 million matching fund for homeless housing development. It has been reported favorably out of Committee and is now at Ways and Means.



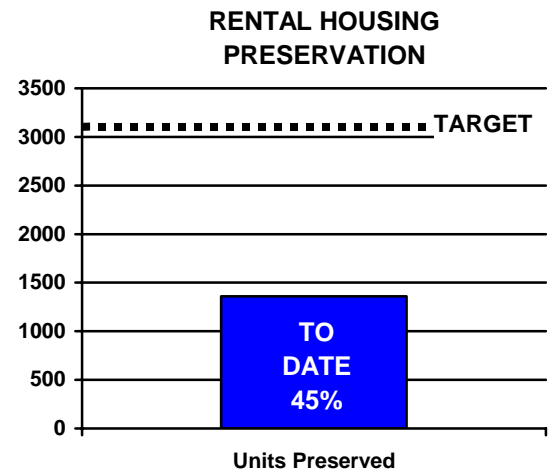
**WEST BROADWAY REDEVELOPMENT PROVIDING HOUSING FOR  
36 FAMILIES AT GREATEST RISK OF HOMELESSNESS**

## PRESERVATION OF AFFORDABLE HOUSING

Retaining affordable rental housing is a central principle in the Leading The Way II plan, with a goal of preserving 3,000 affordable rental units. These units will come not only from preserving affordability in developments that are losing their protections due to expiring Federal or State use restrictions, but also in many other ways. This includes: preserving non-profit owned developments that need physical improvements or financial restructuring, buying affordability agreements on former market-rate units, non-profit acquisitions of properties, and renovating or redeveloping BHA units.



MAYOR MENINO CELEBRATES THE PRESERVATION OF 69 UNITS IN THE SOUTH END AT INTERFAITH APARTMENTS



Currently 1,361 units, or 45% of the target of 3,000 units, have been preserved. To date, only 15 of the 2,400 at-risk Federal and State-assisted units have been lost. The City remains confident that it can reach its goals. Preserved units include:

Expiring Use Federal & State Properties	689 units
BHA units	406 units
Other Preservation	266 units

In addition, Mayor Menino and the Boston City Council have submitted a Home Rule Petition to the State Legislature to enable the City to regulate rent increases in properties that opt out of government assistance programs. It is now being reviewed by a special committee of the Joint Committee on Housing. In 2004 the City and the Mass Housing Investment Corporation announced the creation of a new \$100 million fund to enable non-profits and tenant groups to buy existing market-rate housing to preserve long term affordability. This fund will be up and running in late 2005.

## RESOURCES FOR AFFORDABLE HOUSING

A central element of this strategy was to raise new City resources to support the creation and preservation of affordable housing. A target of raising \$25 million was established. To date, more than half, \$13.9 million, has been raised and sources for the balance of the \$25 million have been identified.

CITY-RAISED FUNDS FOR AFFORDABLE HOUSING			
SOURCE	PLANNED	RECEIVED	STATUS
1 Lincoln Street	\$7,500,000	\$7,500,000	Included in FY06 Budget
Surplus Property Sales	\$330,000	\$0	To be received fall 2005
Hotel Loan Pool Income	\$770,000	\$499,000	FY06:\$137,000, FY07:\$134,000
Hayward Place	\$10,000,000	0	Sale completion pending: planned FY07
Inclusionary Development	\$6,400,000	\$5,900,000	Funds received by the BRA through 6/30/05
<b>TOTAL</b>	<b>\$25,000,000</b>	<b>\$13,899,000</b>	